

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6280

BILL NUMBER: SB 54

NOTE PREPARED: Jan 12, 2012

BILL AMENDED: Jan 11, 2012

SUBJECT: State University Use of Eminent Domain.

FIRST AUTHOR: Sen. Eckerty

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State

Summary of Legislation: (Amended) This bill provides that before a state supported college or university may acquire property that contains an operating business through the use of eminent domain, the college or university must submit its plan to obtain the property to the State Budget Committee and State Budget Agency. It provides that, after review by the State Budget Committee, the State Budget Agency must approve or disapprove of the plan. The bill specifies that if the State Budget Agency approves the plan, the state supported college or university shall pay the owner of the business the capitalized value of the estimated future earnings of the business after the date the college or university would acquire the property, in addition to paying the owner of the property:

1. The fair market value of property;
2. The fair market value of all improvements pertaining to the property; and
3. Any other damages to which the owner of the property is entitled.

The bill sets forth certain other procedures that must be followed if a state supported college or university attempts to acquire property that contains an operating business through the use of eminent domain.

Effective Date: July 1, 2012.

Explanation of State Expenditures: (Revised) The bill could increase the cost to state educational institutions who want to acquire property that contains an operating business through the use of eminent domain. The increase in cost is the capitalized value of the future income of the business. The increased cost is unknown but would depend on the business and on the capitalization rate used. The review by the Budget Committee and the Budget Agency can be done within their current level of resources.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Educational Institutions, State Budget Agency.

Local Agencies Affected:

Information Sources:

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